

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7237

BILL NUMBER: HB 2144

DATE PREPARED: Jan 2, 2001

BILL AMENDED:

SUBJECT: NASCAR Special Group Recognition License Plates.

FISCAL ANALYST: James Sperlik

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill creates a National Association for Stock Car Auto Racing (NASCAR) Trust special group recognition license plate. It specifies the method of distribution for the funds deposited in the NASCAR Trust Fund to the Commission for a Drug Free Indiana.

Effective Date: January 1, 2003.

Explanation of State Expenditures: There would be additional expenses for the Prison Enterprise Network (PEN Products), the manufacturing arm of prison-made products, to make these plates. Their charges would be based on the number of colors in the design as shown in the schedule below.

<u>Colors</u>	<u>Set-Up Charge</u>	<u>Price Per Plate*</u>
1	\$105	\$3.90
2	\$170	\$4.00
3	\$235	\$4.10
4	\$300	\$4.30
5	\$365	\$4.60
6	\$430	\$5.00

* These prices are effective for the 2001-2003 biennium.

Additional charges include \$75 per color for any special colors that are not included in PEN's ten standard colors. If PEN Products does the artwork, there is a \$45 per hour charge. Origination fees include the film positives and the silk screen charges. When the artwork is provided by the customer, the set-up fee is \$17.50. The fund affected for PEN Products is PEN Products Revolving Fund. There will be computer and accounting changes for the BMV. The fund affected for the BMV is the Motor Vehicle Highway Account

which supports the BMV.

The Commissioner of the BMV is to administer the newly created NASCAR Trust Fund. Expenses of administering the fund shall be paid from money in the fund.

Explanation of State Revenues: Potential revenue from the sales of the NASCAR Trust license plate is not known. The bill provides for a \$25 annual fee for the NASCAR Trust plate. This money would be deposited into the NASCAR Trust Fund. Based on the 1999 sales of special recognition license plates, revenue resulting from the \$25 annual fee could range from \$925 to \$1,906,600. It is possible that there could be expenditures that would offset some of these revenues due to any licensing requirements imposed by NASCAR on the state for use of the NASCAR name. The extent of these expenditures is not known and would depend on future negotiation with NASCAR.

Money in the NASCAR Trust Fund at the end of a state fiscal year does not revert to the State General Fund. On June 30 of each year, the Commissioner shall distribute the money in the NASCAR Trust Fund to the Commission for a Drug Free Indiana. (The Commission's purpose is to improve the coordination of alcohol and other drug abuse efforts at both the state and local levels in an effort to eliminate duplication of efforts while ensuring that comprehensive alcohol and other drug programs are available throughout Indiana.)

There also is an administrative fee of \$12 for special recognition license plates, of which \$6 is distributed to the Bureau of Motor Vehicles Commission, \$5 is distributed to the Motor Vehicle Highway Account, and \$1 is distributed to the Crossroads 2000 program for highway bonding and construction. Revenue from this fee is not known. However, based on the 1999 sales of special recognition license plates, revenue from the \$12 fee could range from \$444 to \$915,168.

It should be noted that it is possible that sales of this special plate could, to some extent, supplant the sales of the other special plates.

These license plates will be available after December 31, 2002.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Department of Correction (PEN Products).

Local Agencies Affected:

Information Sources: Becky Gillam, Sales and Marketing Director of PEN Products, 387-2020; Bureau of Motor Vehicles license plate sales data for 1999.